

**Agricultural land conversion for
industrialization and mechanism of rural
social differentiation in Hung Yen province,
Northern Vietnam**

By

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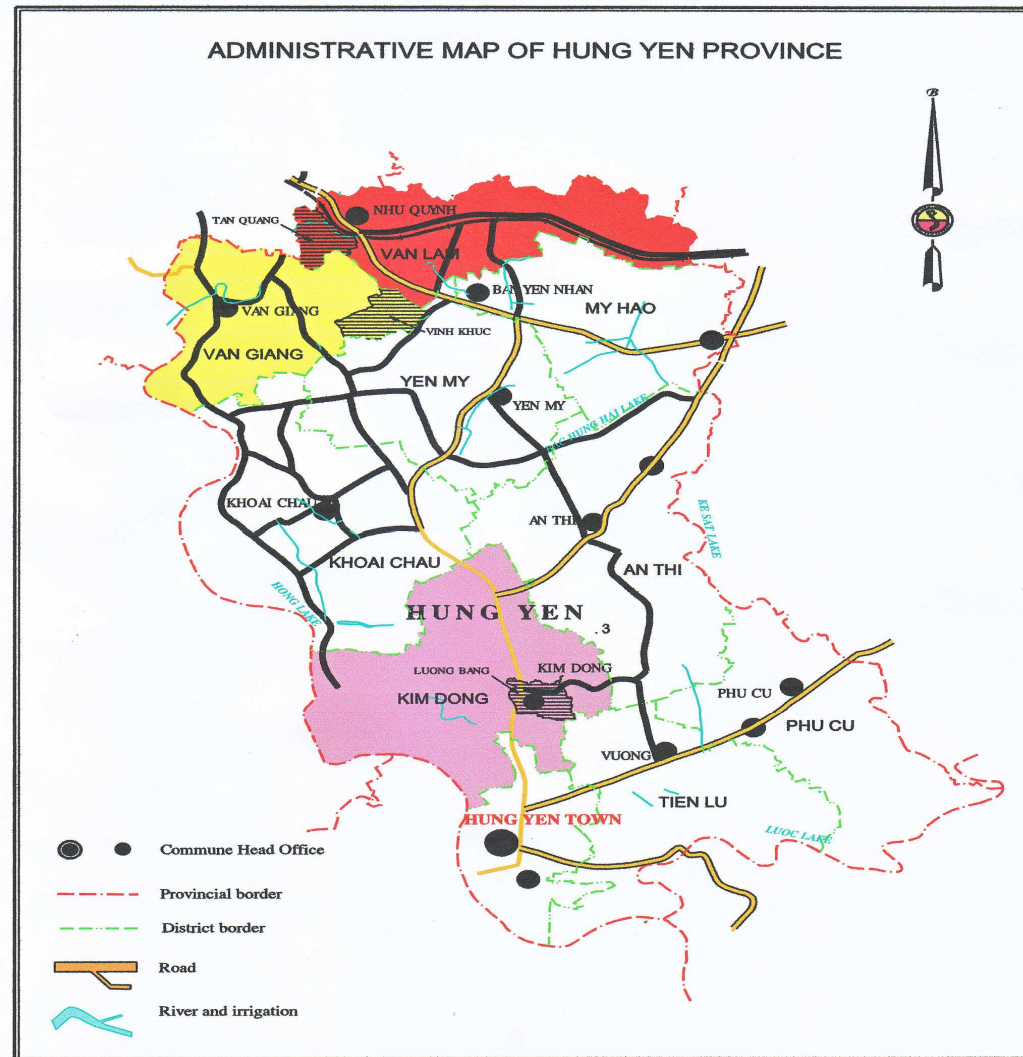
Philippe Lebailly, Professor, ULg, Belgium

Vu Dinh Ton, Professor, HUA, Vietnam

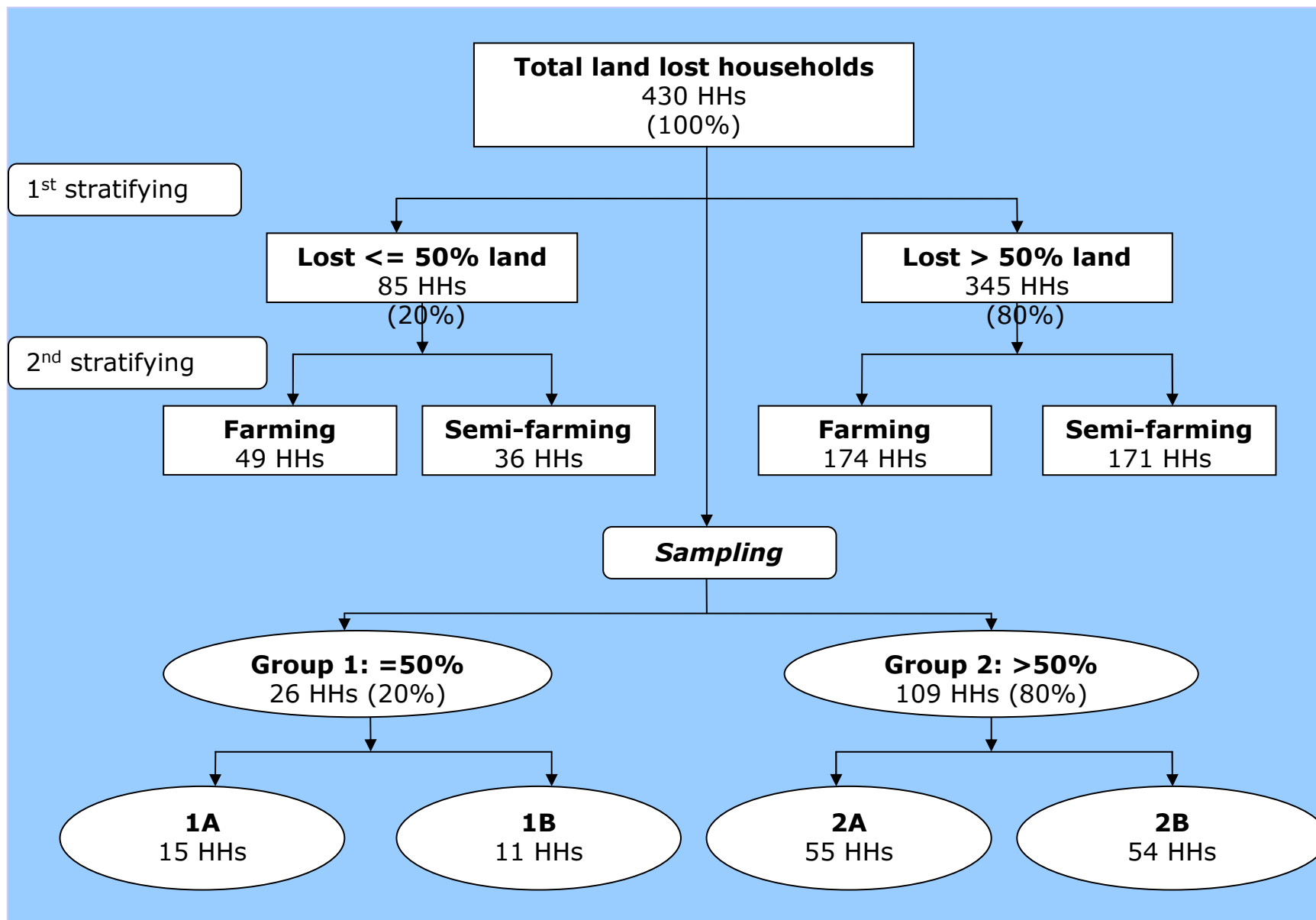
Introduction

- High rate of agricultural land conversion to industrialization reveals its complex impacts on different households and the dynamism of peasant adaptive strategies.
- Although the household income and rural infrastructure was improved, there is the growing environmental pollution, land fever and other social issues.
- The success or failure of household livelihood strategies depend on the household assets and resource mobilization.
- Agricultural land conversion to industrialization generates the peculiar mechanism of social differentiation

Hung Yen province and research districts



The selection of surveyed households



Land conversion in Hung Yen province

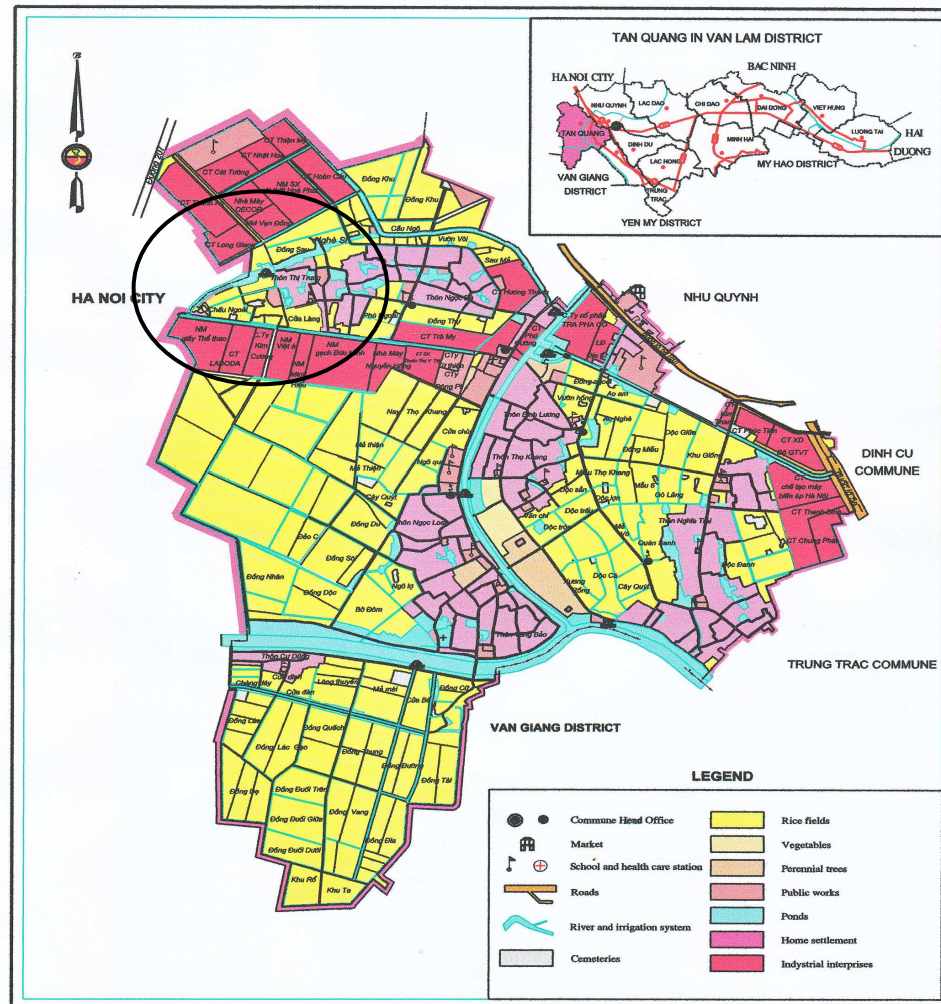
In 2010

- Total land conversion: 4558 ha
- 657 domestic and 193 foreign investment projects
- Low rate of operated projects

Tan Quang commune, 2007

128 ha (49%) agricultural land lost

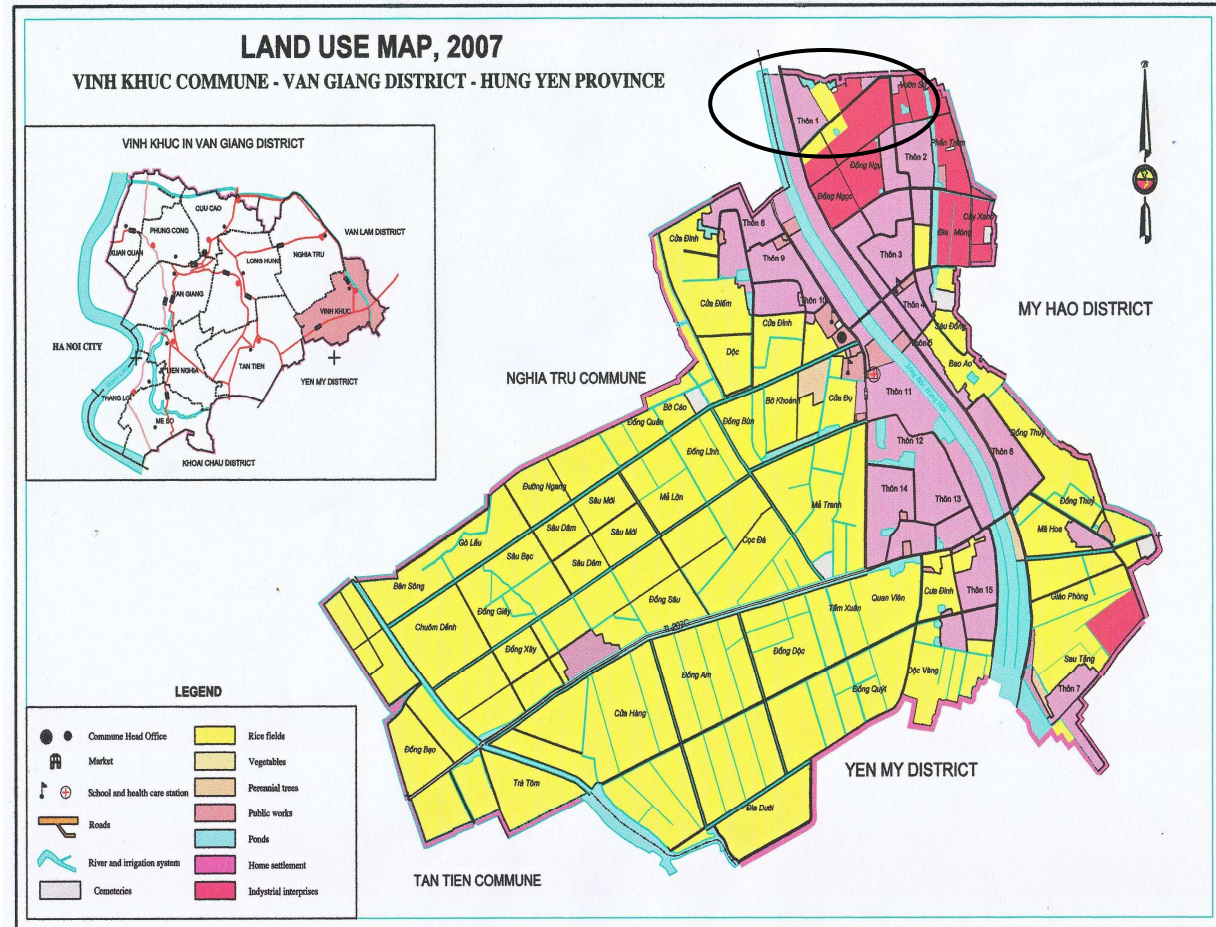
LAND USE MAP, 2007
TAN QUANG COMMUNE - VAN LAM DISTRICT - HUNG YEN PROVINCE



Chi Trung village
67% agricultural
Land lost

Vinh Khuc commune, 2007

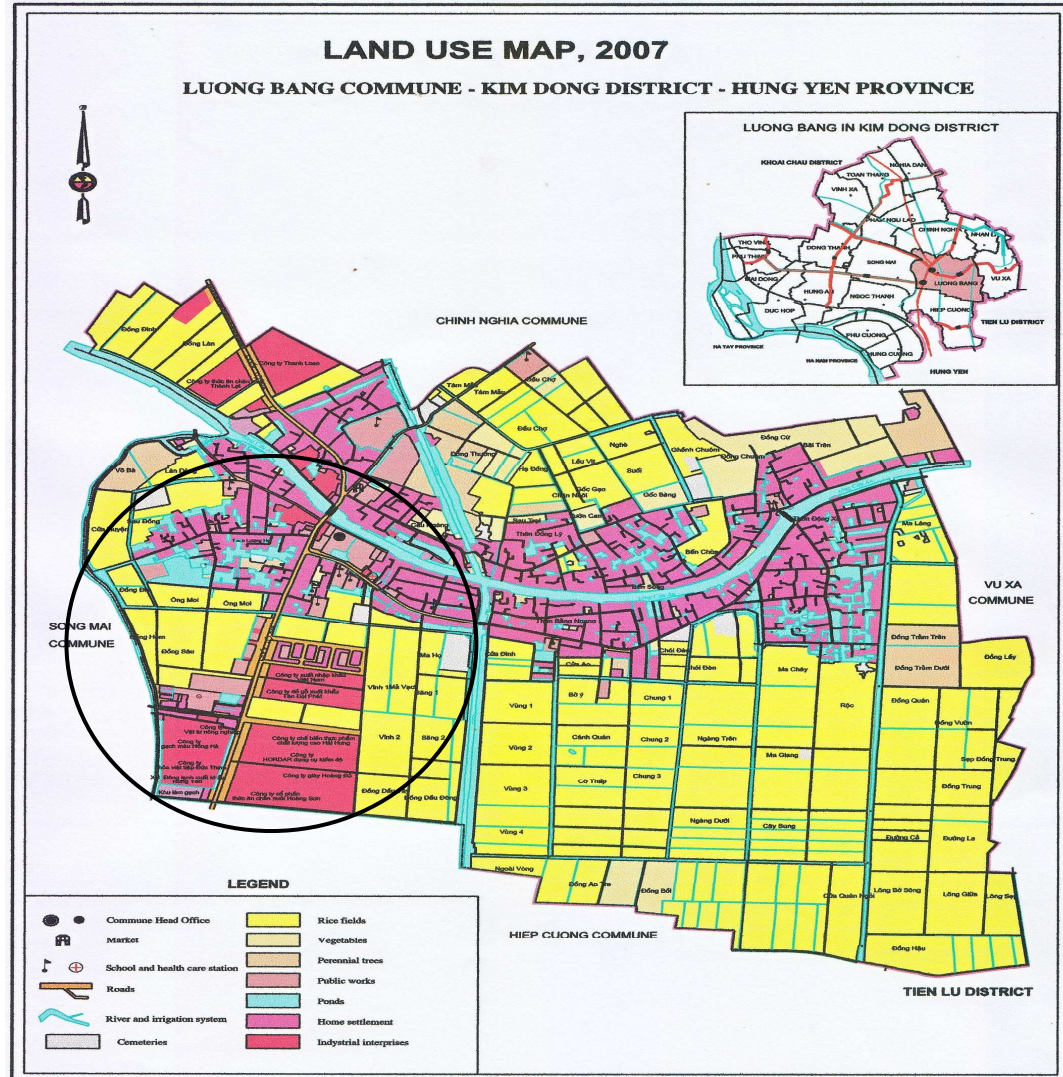
60 ha (15%) agricultural land lost



Chieu Dong village
65% agricultural
land lost

Luong Bang commune, 2007

35 ha (7.3 %) agricultural land lost



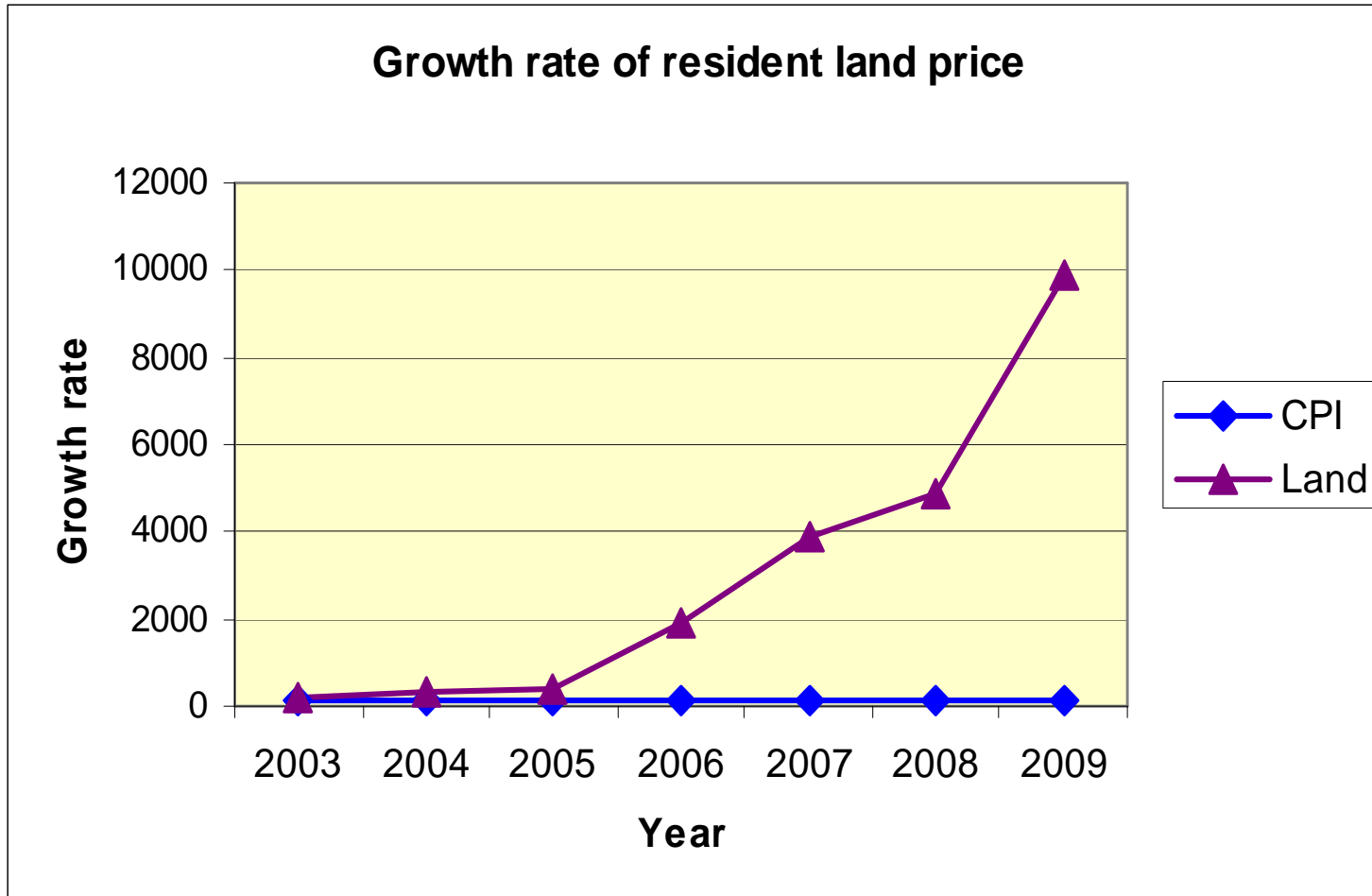
Luong Hoi village
61% agricultural land lost

Impacts of land conversion on peasant households

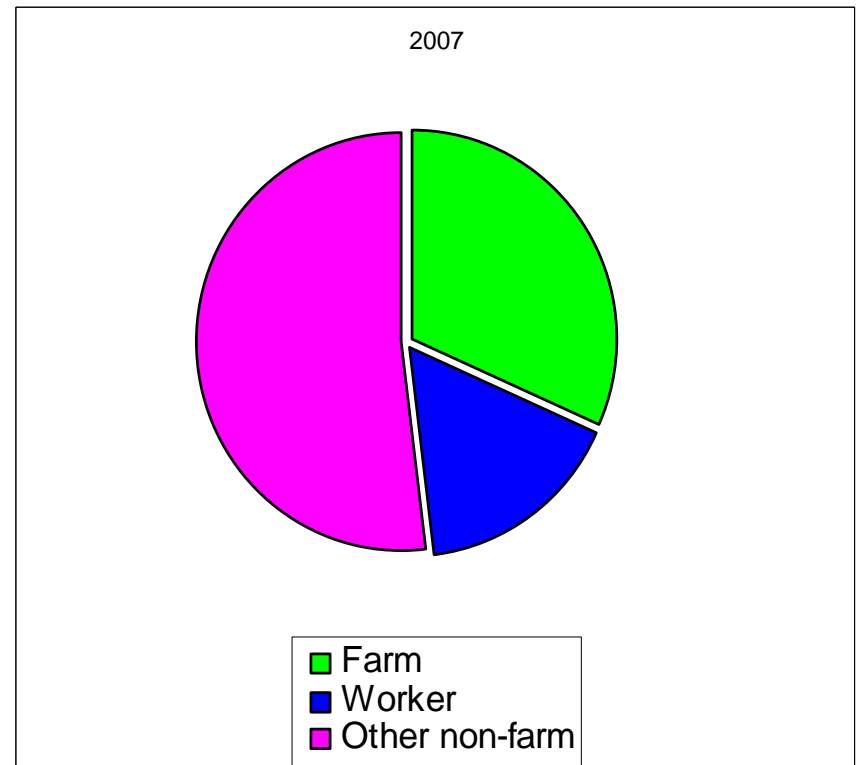
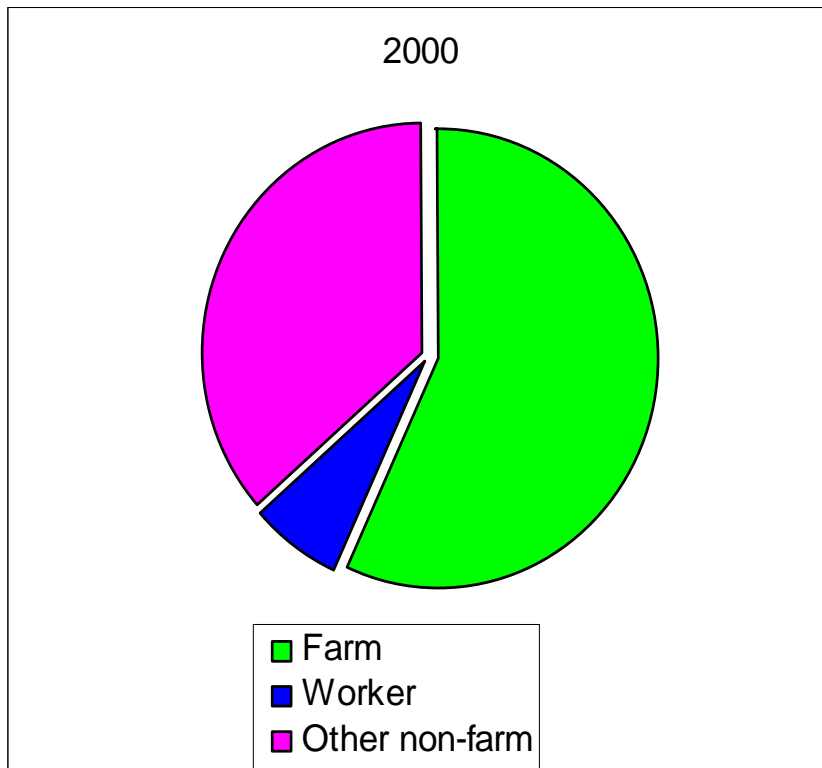
- Decline of landholding

	Group 1 (26)		Group 2 (109)	
	1A (15)	1B (11)	2A (55)	2B (54)
Agri. land 2000 (mean, m ² /HH)	1766.5	1843.6	2048.0	2054.2
Agri. land 2007 (mean, m ² /HH)	1273.6	1160.7	613.9	592.1

Boosting land price



Decline of farming jobs

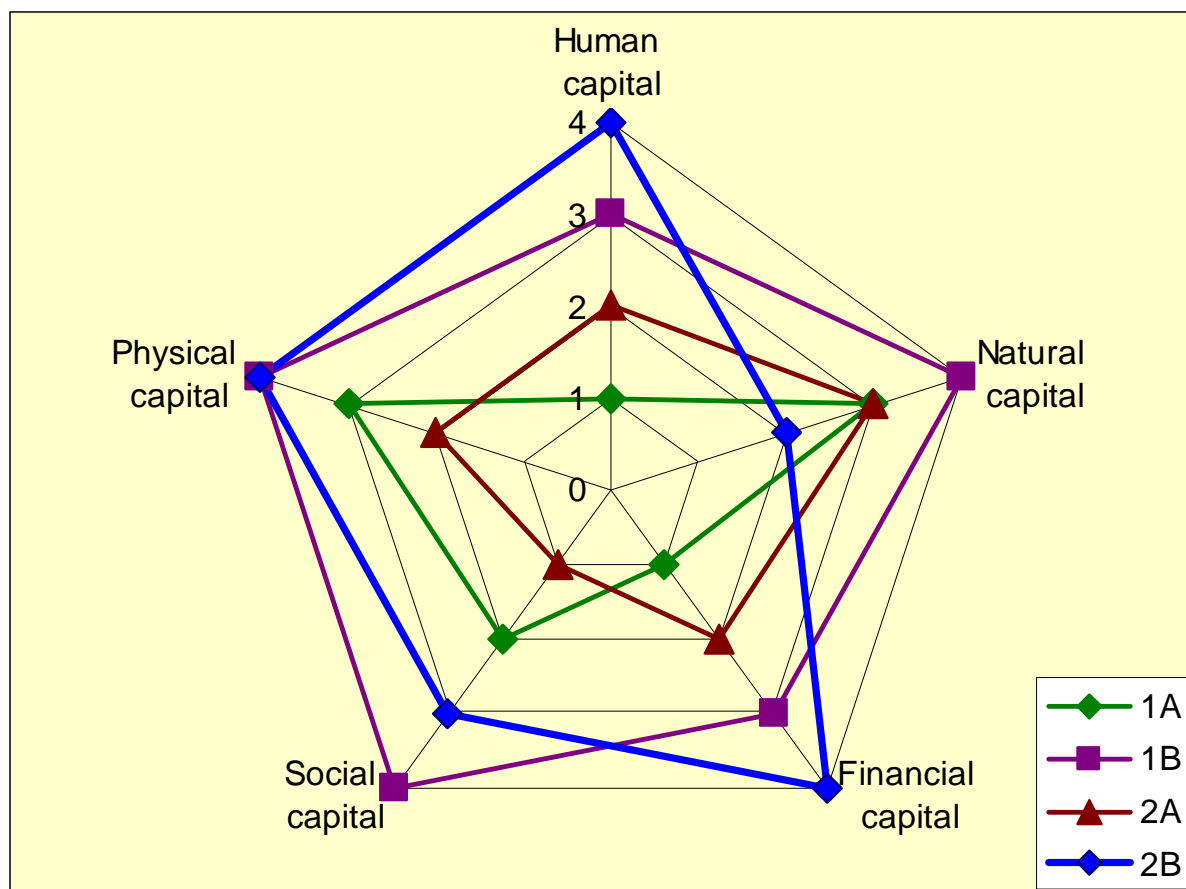


Blossoming of informal employment

- 52% of labors in surveyed households find the job in informal sector
- Typical employments: wage labor (in both farm and non-farm activities); trading; restaurants; shops; agro – processing, rural manufacturing, transportations and other services.
- Difficult working conditions

Resources mobilization and livelihood strategies

- Household assets



Household livelihood strategies

Livelihood Strategy	Group 1: ≤ 50%				Group 2: 50+				Total	
	1A		1B		2A		2B			
	N	%	N	%	N	%	N	%	N	%
Intensification	4	26.7	0	0.0	9	16.4	4	7.4	17	12.6
Diversification	7	46.7	7	63.6	28	50.9	28	51.9	70	51.9
Non -farm	4	26.7	4	36.4	18	32.7	22	40.7	48	35.6
Total	15	100.1	11	100.0	55	100.0	54	100.0	135	100.0

Agricultural intensification strategy

- Expand farm size by renting land
 - Reduce agricultural input costs
 - Horizontal diversification to overcome the constraints and reduce risks
- ➔ Moderate wealth category
 - ➔ Income in kind
 - ➔ Difficult to cover the fees of social services
 - ➔ Unstable renting land

Diversification strategy

- Maintain agricultural production (rice, vegetables, poultry) to reduce household expenditure.
- Shift to high value crops and production that less depending on land size
- Seek complementarities between activities: crop-livestock integration (VAC); combination of agro-food processing and pig production; agricultural production and providing services.
- Exchange assets (labor, capital) to get higher income.
- ➔ Different ranges of diversification of rich and poor households (subsistence-led or accumulated-led motivations).
- ➔ Labor allocation in different activities is most importance

Non-farm strategy

- Specialize according to comparative advantages (the availability of non-farm opportunities and household's resources)
- Develop entrepreneurial skills to exploit opportunities derived from abundant labor market and loose environmental regulations (waste recycle, foot wear, leather, construction, restaurant...)
- Multiplication of non-farm wage labors
 - ➔ Different level of freedom and security in choosing non-farm activities
 - ➔ Different level of earnings from non-farm activities.

Mechanism of social differentiation

*** Land alteration:**

- Land accumulation
- Change agricultural land to non-agricultural land

*** Capital accumulation from lucrative non-farm activities**

- International migration
- Rural manufacturing: food processing and waste recycling
- Rural-urban trading, guest house, restaurant

Income distribution before and after land conversion



Conclusion

- Households with non-farm background and lost less than 50% of agricultural land are in better position to get opportunities from land conversion.
- The farm size that ensure subsistence food demands determined the security and freedom level for households engaging in non-farm activities after land conversion
- Land conversion to industrialization and responses of peasant create favorable conditions for acceleration of the differentiation process.